Probate and Estate Planning Section

Michigan Probate and Estate Planning Journal

Volume 16, Spring 1997, No. 3
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FROM THE CHAIRPERSON'S DESK

By John H. Martin

Estate Settlement Act

Your Council is regrouping and trying again. The version of the Estate Settlement Act that unanimously passed the Michigan Senate in October is being reintroduced in the new legislature. This version is the Estate Settlement Act as prepared by the Probate and Estate Planning Section Council minus an updated spousal election (the elective right statute from the Revised Probate Code is brought forward) and minus new provisions for multiple-party accounts within financial institutions. Both the spousal-elective rights and the multiple-party accounts will be projects for further drafting and discussion with other interested parties.

The Estate Settlement Act as modified and reintroduced had the backing or tacit approval of everyone who has reviewed it. Therefore, with much optimism, we look forward to passage this spring or early summer. The bill bears an effective date of July 1, 1998. This will give ample opportunity for the development of new court rules and new practice forms and the education of practitioners, judges, and court personnel.

Other Activities

The Probate and Estate Planning Council remains active in many other areas. For example, at our February meeting we discussed the following:

- *A modification of the Michigan Rules of Professional Conduct that would require a written fee agreement for new clients.* The proposal would make the absence of a written fee agreement an indicator of unethical conduct. While the Council supports the idea that written fee agreements are desirable, we oppose the fee agreement requirement as an ethical obligation and the lack of an agreement as a matter for discipline.
- *Estate planning and living trusts, often conducted by nonattorneys.* We believe many of these programs mislead and misinform the public.
- *Educational programs, principally the annual seminar at the Grand Traverse Resort (which will be repeated live in Troy) and the annual meeting program during the State Bar meetings in Detroit in September.* The educational content of these programs will make them outstanding

presentations again this year.

- *The Court Opinion Bank that is maintained for our members at the Wayne State University Law Library.*
- *Publications, including pamphlets, this* Journal*, and the ongoing development of the Internet Web site.* The Web site is maintained with the assistance of the Institute of Continuing Legal Education. Each of these communication tools has become a vital link for expanding the knowledge of our members and for reaching out to the public.
- *Transfers to Minors Act as a replacement for the present Uniform Gifts to Minors Act.*
- *The formation of private, nonbank trust companies in Michigan.*

This one month's agenda should indicate the breadth of our ongoing programs. Be sure to let us know your comments and concerns. They are important in helping us to be responsive to the needs of our Section members. In addition, if any member wants to become active in addressing these matters, let any Council member know of your interest.

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ASSISTING CLIENTS IN CHARITABLE GIVING: A CHALLENGING OPPORTUNITY

By Gregory A. Schupra

The accumulated assets of individuals with a current life expectancy of 12 to 15 years have been estimated at more than $12 trillion. [1] Advisors serving these individuals are in a unique position to influence the future of their communities based on how they approach their clients in the estate planning process.

We all know that the government allows each person to transfer a certain percentage of accumulated assets to heirs. However, for those with estates valued above $600,000, the government requires that a percentage of accumulated assets be transferred for the "public good." This public good may be in the form of estate and gift tax or in the form of gifts to charity. Most clients ask their advisors to assist them with all legal means to avoid the tax. In addressing tax-savings strategies, many advisors find it difficult to discuss charitable giving. This article will explore how practitioners can encourage clients to consider charitable giving; discuss charitable giving with clients; identify the appropriate charitable purpose and size for a gift; and explain charitable giving methods.

Note

1. H. Peter Karoff, *The Advisor's Role in Philanthropy: A New Direction,* Trusts and Estates, April 1994, at 47.

Article continued in the Spring 1997 issue of the Journal.

Gregory A. Schupra is vice-president, donor relations, for the Community Foundation for Southeastern Michigan.

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HOW GIFTS OF REAL PROPERTY CAN BENEFIT SERIOUS CONSERVATION

By Thomas M. Woiwode

If the calls coming in to The Nature Conservancy office are any indication, lawyers have no shortage of clients who own property in Michigan but are at something of a loss as to what to do with it. In my capacity as the executive director of The Nature Conservancy in Michigan, I talk frequently with lawyers around the country about their clients' real property. While the facts of every situation are different, there is a common thread: some clients do not want or need to retain their property forever, would like to use it to benefit conservation in Michigan, and would certainly welcome some tangible benefit from their philanthropy.

For that matter, it is not uncommon to hear directly from individuals with land that has both financial and sentimental value. For them, the disposition of their property is partly a matter of sound financial planning and partly a function of personal values and a sense of responsibility for the welfare of future generations.

There are four basic ways of addressing these landowners' financial and philanthropic concerns: a simple bequest, a retained life estate, a charitable remainder unitrust, and a straightforward gift (either in whole or in part). Each provides tax benefits, while some have additional advantages for individuals in certain circumstances.

Article continued in the Spring 1997 issue of the Journal.

Tom Woiwode, a member of the Michigan and District of Columbia bar associations, has been the executive director of The Nature Conservancy in Michigan since the chapter's establishment in 1980.

Probate and Estate Planning Section

The following is an article excerpt. The complete article was published in the Spring 1997 issue of Michigan Probate and Estate Planning Journal

PRACTICE POINTERS ON PROPOSAL A

By Donna R. Stokes & Sharon R. Brinks

One unintended consequence of Proposal A has been overlooked by many probate and real estate attorneys: Property assessors cannot read their minds. The purpose of this article is to provide practical advice that may avoid serious estate planning problems when a property transfer is deemed a nontransfer under Proposal A.

Under MCL 211.27a(3): "Upon a transfer of ownership after 1994, the property's taxable value for the calendar year following the year of the transfer is the property's state equalized valuation for the calendar year following the transfer."

Thus an assessor's office must review all deeds to decide whether there has been a transfer of ownership under Proposal A.

If there has been a nonexempt transfer of ownership, a property transfer affidavit must be filed with the assessor's office. It is common for a busy assessor's office to receive thousands of transfers a year. It is extremely helpful to the very busy people in the assessor's office if the property transfer affidavit is filed with the deed and stapled to it.

Article continued in the Spring 1997 issue of the Journal.

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ETHICS, UNAUTHORIZED PRACTICE, AND IMAGE

By Steven A. Mitchell

Written Fee Agreements and Why You Should Use Them

Although debate is ongoing over whether written fee agreements should be required as a matter of professional ethics, there can be no doubt that a carefully drafted fee agreement is advantageous to the lawyer in many ways. MRPC 1.5(b) places an affirmative duty on the lawyer to communicate to the client the basis for the fee. Consequently, to fulfill that duty, every lawyer should recognize that the agreement should preferably be in writing. "A written statement concerning the fee reduces the possibility of misunderstanding." [1]

Similar to other rules of construction, an ambiguous fee agreement is likely to be construed against the lawyer. Indeed, in contingent fee agreements [2] that are either ambiguous or silent concerning the calculation of the fee or a portion of it, the agreement must be construed to calculate the fee by the terms most favorable to the client for purposes of professional ethics. [3]

A written fee agreement, carefully drafted, reviewed by the client, and executed at or near the commencement of the representation, is the lawyer's best opportunity to define and limit the scope of the representation. Limiting the scope of the representation is permissible pursuant to MRPC 1.2, and under certain circumstances, it is necessary to protect the lawyer from an ethical requirement that appellate representation be provided even if a written fee agreement is silent concerning any meeting of the minds on that issue. [4] Therefore, what is set forth in a written fee agreement regarding what you do *not* agree to do is as important as setting forth what you *do* agree to do.

A written fee agreement is the lawyer's best evidence of fulfillment of the separate duty to keep the client reasonably informed pursuant to MRPC 1.4. In addition to setting forth and describing the scope of the representation, the agreement should set forth the objectives of the representation, the general means through which that objective will be pursued, the likelihood of success, the method or basis for calculating the fee, an estimate of the time to be expended on the task, an estimate of the costs, and an invitation to the client to inquire if any questions arise concerning the handling of his or her matter.

Certain fee agreements must be in writing. MCR 8.303(B) requires that the lawyer and client/fiduciary "must enter into a written fee agreement . . . [a]t the commencement of the representation." This rule recognizes the elevated duty of a lawyer in representing a fiduciary. [5]

Certain other types of fee agreements must also be in writing. Mixed fee agreements, that is, agreements that provide for some combination of an hourly rate, flat fee, or percentage of an anticipated net recovery, must clearly set forth the basis for calculating the fee in writing. [6] The rationale behind requiring a written agreement for such fees is that the calculation of the fee can be somewhat complex in relation to the difference in level of sophistication between the lawyer (and probable drafter of the agreement) and the client.

Fee agreements sometimes characterized as "nonrefundable retainer agreements" must also be in writing. [7] Nonrefundable fee agreements are characterized by the complexity of the matter and the likelihood that the representation will prevent the lawyer from performing other work on behalf of other clients. In addition, such an agreement must set forth the client's specific expectations as well as describe what the lawyer is providing in addition to a fixed number of hours. A nonrefundable fee must not be placed in the lawyer's trust account. [8] To enter into such an agreement, the client must be of sufficient intelligence and maturity to understand the agreement as well as the fact that the fee is nonrefundable. Finally, the lawyer must in fact set aside a block of time, turn down other work, and otherwise martial the resources of the firm in reliance on a nonrefundable retainer agreement. Otherwise, this type of fee agreement may not be employed.

Some fee agreements provide for the arbitration of any subsequent dispute concerning the lawyer's fees. Agreements containing such provisions must be in writing. [9] The rationale for this requirement is that the client is giving up the right to have a dispute over fees decided in court.

Some lawyers secure their fees by obtaining a security interest in client property. While this is not prohibited, such an agreement must be in writing [10] and consistent with the requirements of MRPC 1.8(j).

Today, the lawyer, as a business person, may want to attempt to pass along certain overhead costs to the client as a way of maximizing profits. Costs for expedited delivery services, courier services, long distance telephone charges, faxing documents, and copying files are typical charges that the lawyer attempts to pass along. Ethically, the lawyer may only charge for such costs by previous written agreement. [11] A lawyer's ability to charge for copies of the representation file is further limited. Such limitations depend on the reason the lawyer is seeking to charge the client for copies of the representation file and whether or not the client has previously been charged for copies of documents contained in the file. [12] In any event, the fee agreement is the best place to describe in detail any such charges.

Many lawyers take payment for their fees for services over time. Often, a service charge is assessed on unpaid balances at a specified interest rate. Michigan's Civil Usury Statute requires that an interest rate assessed on unpaid balances for services pursuant to an unwritten agreement may not exceed 5 percent per year. On a written agreement, the interest rate may not exceed 7 percent per year. [13] Lawyers may avoid the 7 percent limitation by referring to the arrangement as a time-price differential in the written fee agreement. Essentially, the lawyer must explain to the client that one fee is charged if services are paid for in cash, whereas another fee is charged if the services are paid for over time. Although such an arrangement may appear to be an attempt to circumvent the Civil Usury Statute, the validity of time-price differentials is recognized in Michigan. [14]

Conclusion

There are many reasons for lawyers to use written fee agreements, several of which have nothing to do with the lawyer's fees, per se. Some types of fee agreements are required to be in writing. The written fee agreement is often the best opportunity for the lawyer to define and limit the scope of representation. It is also the first and best opportunity for the lawyer to fulfill the requirement of keeping the client reasonably informed. Finally, certain practices employed by the lawyer in the course of effective law office management are required to be set forth by prior written agreement, and the fee agreement is the most appropriate place to do so. The Institute of Continuing Legal Education publishes a book titled *Attorney Fee Agreements in Michigan*, which not only offers specific forms geared to particular areas of practice but also includes notes and commentary to explain the basis for various provisions in specific fee agreement forms. This volume is recommended for all Michigan practitioners.

Notes

1. MRPC 1.5 comment.

2. MRPC 1.5(c).

3. RI-162 (Apr 30, 1993) and RI-184 (Jan 19, 1994).

4. R-11 (July 26, 1991).

5. MCR 8.303 comment.

6. RI-6 (May 19, 1989).

7. RI-10 (Apr 6, 1989).

8. RI-69 (Feb 14, 1991).

9. RI-2 (Jan 28, 1989).

10. RI-40 (Dec 14, 1989).

11. RI-241 (Aug 10, 1995).

12. RI-203 (Mar 29, 1994).

13. MCL 438.31; MSA 19.15(1).

14. *Silver v International Paper Co*, 35 Mich App 469, 192 NW2d 535 (1971).

Steve Mitchell is a shareholder at Willingham & Coté, PC, where he concentrates his practice on the defense of lawyers and judges in professional disciplinary proceedings. Your questions or comments are welcome at (800) 361-1542.

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LEGISLATIVE REPORT

By Douglas A. Mielock

HB 4113—REGISTRATION OF SECURITIES AND TRANSFER-ON-DEATH FORM (Representative Alley)

HB 4113 provides for the registration of a security to permit it to be transferred to one or more designated beneficiaries following the death of one or more owners. An entity is not required to offer or accept security registration in beneficiary form. If it does, the registering entity is afforded protection for its actions.

The bill was passed, signed by the governor on December 2, 1996, and became Public Act 433 of the Public Acts of 1996, with immediate effect.

SB 80—MICHIGAN MEDICAL SELF-DETERMINATION ACT (Senator Berryman)

SB 80 allows an individual 18 years of age or older who is of sound mind to execute a declaration to authorize types of medical intervention or the withholding or withdrawal of medical intervention if the declarant is terminally ill or permanently unconscious and unable to participate in medical treatment - decisions.

It has been referred to the Senate Health Policy and Senior Citizens Committee.

SB 209—ESTATE SETTLEMENT ACT (Senator Van Regenmorter)

SB 209 repeals the Revised Probate Code and replaces it with a new Estate Settlement Act.

For status, see "From the Chairperson's Desk".

SB 702—CHARITABLE ORGANIZATIONS DESIGNATED AS OWNER OF LIFE INSURANCE POLICIES (Senator Hoffman)

SB 702 adds MCL 500.2212 to provide that an organization described and qualified under IRC § 501(c)(3) has an insurable interest in the life of an individual who gives written consent to the ownership or purchase of a policy on his or her life.

The bill was passed, signed by the governor on January 15, 1996, and became Public Act 572 of the Public Acts of 1996, with immediate effect.

SB 1036—TERMINATION OF GUARDIANSHIP FOR MINOR (Senator Gougeon)

SB 1036 amends MCL 700.424c, which provides for the termination of a guardianship for a minor.

The bill was passed, signed by the governor on October 30, 1996, and became Public Act 408 of the Public Acts of 1996. Section 2 of the act provides that it takes effect January 1, 1998.

Douglas A. Mielock practices with the law firm of Foster, Swift, Collins & Smith, PC, in Lansing. His areas of practice include - estate and tax planning, trust litigation, probate and trust administration, and general business planning. He is licensed to practice law in both Michigan and Illinois. He is currently a member of the American Bar Association, the State Bar of Michigan, the Ingham County Bar Association, and the Greater Lansing Estate Planning Council. Mr. Mielock serves as a member of the governing council of the State Bar of Michigan's Probate and Estate Planning Section, and he is the chairperson of the Legislative Committee of the Section. He also serves on the Probate and Estate Planning Section's Standing Committee on Code, Procedure, and Rules, which has drafted the proposed Estate Settlement Act. Doug is a former legal consultant for the Legal Hotline for Older Michiganians and a former instructor at Lansing Community College. Doug is a frequent speaker and author of articles relating to various aspects of estate planning.

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NEWS AND COMMENTS

By Fredric A. Sytsma

Practical Pointers from the IRS

Brian Trindell from the Internal Revenue Service was the guest speaker at a recent meeting of the West Michigan Estate Planning Council. As most of you know, Mr. Trindell is in charge of all estate and gift tax audits in Michigan. As a result, his observations and suggestions are of particular interest to all of us who handle decedents estates. Mr. Trindell's comments covered the following:

1. *The inclusion of exhibits.* The Service wants you to attach the basic exhibits when you file an estate tax return, including the decedent's will and trust, if any, and a copy of the certificate of death (even though Brian acknowledged that he'd never seen an estate tax return filed on behalf of a living person). However, if you have detailed appraisals, extensive financial records for a closely held corporation, etc., it is better to note that the material is available for examination rather to attach copies. Brian explained that in many cases, the exhibits are detached at the Service Center and misplaced.
2. *Timing.* It ordinarily takes five to six months before a closing letter is received in an estate for which the Form 706 is accepted as filed. Normal audit issues can be resolved within eighteen months of the date the return is filed. However, it is impossible to extend the three-year statute of limitations that applies to the Service's audit of Forms 706, and if the examination remains unresolved with less than a year before the statutory period expires, the Service will probably issue a "90-day letter" as a precautionary measure.
3. *Copies of closing letters.* When an estate tax return is accepted as filed, *only* the personal representative will receive a copy of the closing letter, *even if the attorney's or accountant's name appears on the Form 706 and a power of attorney accompanied the return.* The explanation for this is that the power of attorney authorizes the Service to "deal with" the accountant or the attorney, but if a return is accepted as filed, the IRS isn't dealing with anyone. I think that's a wonderful example of bureaucratic gobbledygook. Maybe the Service doesn't realize what a pain in the neck it is to have to keep checking with individual fiduciaries to see if they've received some letter from the Service that they didn't understand and hope that they didn't

just file it in the round file. How hard would it be to just send an extra copy of the letter?

4. *Interest on refunds.* If a refund is made within 45 days of the date that the return is filed, even if the tax was paid at an earlier date (e.g., when the filing deadline has been extended), no interest need be paid on the refund.
5. *Postfiling revisions.* If you have filed the estate tax return and become aware of additional assets or deductions before receiving a closing letter, the recommended procedure is to call Brian at (313) 226-7400. If you simply send revised schedules to the Service Center, there is a good chance they'll never catch up with the return. If you send them to Brian, he can reroute them directly to the examiner.
6. *Hot issues.* As might be expected, the issues of the day include limited liability companies and family limited partnerships—especially the valuation discounts claimed for transfers of interests in those entities—and that old familiar favorite, the valuation of unlisted securities. Brian acknowledged that discounts for transfers of minority interests with limited marketability are appropriate but reminded us of the maxim, "pigs get fat but hogs get slaughtered." He said that the Service is not impressed with an appraisal that says you should get a discount of such-and-such a percent because case studies show that the average discount is such-and-such a percent. Every situation is unique, and you are required to show that the facts in your case justify the claimed discount. Nobody said that getting the benefit of a discount was going to be easy.

   Evidence of the Service's focus on valuation discounts is found in the revised gift tax return form (discussed below).
7. *Environmental problems.* If your clients are unfortunate enough to be involved in an ongoing environmental cleanup, your only recourse is to file an amended list of expenses each year, as the cleanup progresses.
8. *Some old-fashioned problems.* In addition to the issues *du jour* noted above, the Service continues to encounter improper QTIP elections (e.g., electing QTIP treatment for a fixed dollar amount or a fixed percentage when the estate includes assets the value of which is likely to change on audit, rather than making an election based on a formula), gifts made pursuant to a power of attorney that doesn't authorize gifts, the inability to substantiate a claimed contribution to joint property, and the deduction of excessive postdeath home maintenance expenses (Brian asked why it is necessary to continue cable TV service in a supposedly empty house).

Transfer-on-Death Securities Registration

In case you missed it, Public Act 433 of 1996 authorizes the registration of securities in a transfer-on-death (TOD) format. Three forms of TOD or pay-on-death (POD) registrations are permitted:

1. *Sole owner–sole beneficiary:* John Brown TOD (or POD) Mary Brown
2. Multiple owners–sole beneficiary: John Brown and Mary Brown JTTEN TOD (or POD) William Brown
3. *Multiple owners–primary and secondary beneficiaries:* John Brown and Mary Brown JTTEN TOD (or POD) William Brown SUB BENE Peter Brown, or John Brown and Mary Brown JTTEN TOD (or POD) William Brown LDPS (the latter form makes William Brown the primary beneficiary, and his lineal descendants *per stirpes* the secondary beneficiaries)

This is obviously a valuable will substitute, particularly in the case of single clients who are skittish about adding children's names to their assets and couples for whom joint ownership of securities is appropriate. It remains to be seen how many issuers of securities will actually make this form of ownership available.

Recording No-Tax Certificates

The Certificate of No Tax issued by the Michigan Department of Revenue to estates that owe no Michigan estate tax is not in recordable form. However, some Probate and Estate Planning Section Council members who have encountered this problem indicate that if you attach a legal description of the decedent's real estate to the certificate, a register of deeds will accept it for recording. An alternative is to attach the certificate to a fiduciary's deed.

An Exception to QDOT Requirements

Almost all of you will sooner or later be called on to do marital deduction planning for a noncitizen spouse, which will make it necessary to acquaint yourself with the requirements for drafting qualified domestic trusts (QDOTs).

One of the safeguards designed to ensure that the IRS gets its money is a requirement that one of the trustees be a U.S. bank. As an alternative, the Service permits the use of any U.S. trustee, not necessarily a bank, as long as a bond is furnished in an amount equal to 65 percent of the fair market value of the trust principal, calculated as of the date of death, or a U.S. trustee furnishes a letter of credit to the IRS on the same terms as the bond. All of the options have disadvantages; you have to pick your poison.

However, there is an exception to these requirements that should meet the needs of all but your wealthiest clients. If the fair market value of the QDOT assets doesn't exceed $2 million, you needn't meet either the bank or the bond requirement, as long as the trust agreement specifically provides that no more than 35 percent of the assets (determined annually) may be invested in real estate outside the United States.

In addition, when calculating the $2 million threshold, the applicable regulations provide that the surviving spouse's personal residences (as many as two) and related furnishings with an aggregate value up to $600,000 may be excluded.

Therefore, proper planning would permit a QDOT with as much as $2.6 million in it without needing to have a U.S. trustee (e.g., the spouse could act as trustee) and without having to give any bond to ensure payment of the estate tax.

Fiduciary Exemption from Environmental Liability

In another easily overlooked development that will do a lot to alleviate concerns of fiduciaries and make planning easier, Congress has amended the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), 42 USC § 9601 et seq., which imposes liability for the investigation and cleanup of hazardous waste sites, and the Resource Conservation and Recovery Act of 1976 (RCRA), 42 USC § 6901 et seq., which regulates underground storage tanks and controls the handling, storage, and disposal of hazardous materials. The legislation is contained in HR 3610, the Department of Defense Appropriations Act (where else would you expect to find it?).

The legislation, which applies to any claim that had not been finally adjudicated as of September 30, 1996, contains an exemption from personal liability for fiduciaries and lenders and apparently overrules such cases as *City of Phoenix v Garbage Servs Co,* 827 F Supp 600 (D Ariz 1993), and *Castlerock Estates, Inc v Estate of Markham,* 871 F Supp 360 (ND Calif 1994). As amended, CERCLA and RCRA provide that the liability of a fiduciary for the release or threatened release of a hazardous substance on property held in a fiduciary capacity may not exceed the value of the assets held in a fiduciary capacity.

If the trust or other fiduciary estate is actively engaged in carrying on a trade or business or if a business is acquired in a fiduciary capacity in order to limit liability, the new provisions do not apply. Similarly, if the fiduciary has liability independent of potential liability in a fiduciary capacity or if the release or threatened release was or is attributable to the fiduciary's negligence, there is no protection.

The legislation also specifically lists certain "safe harbor" actions of a fiduciary that will not result in personal liability, e.g., undertaking or directing another person to undertake a cleanup, responding to an agency enforcement order, inspecting the contaminated property, and administering property that was contaminated before the fiduciary relationship began.

The amendment does not affect any rights, immunities, or defenses otherwise available to a fiduciary under CERCLA, RCRA, or any other law and cannot be used to create liability or a new private cause of action against a fiduciary or any other person.

As noted above, additional protection for lenders is also included in 42 USC § 9601(20)(A).

Revised Gift Tax Return Forms

As noted above, the Service has issued revised Forms 709 (United States Gift (and Generation-Skipping Transfer) Tax Return) and 709-A (United States Short Form Gift Tax Return). Both are dated December 1996.

The biggest change on the Form 709 is the addition of a line at the top of Schedule A on which the preparer must indicate whether a valuation discount has been taken. This includes discounts for a lack of marketability, minority interest, fractional interest in real estate, blockage, market absorption, or any other reason. If the answer to the question is "yes," the preparer must attach an explanation of the discount.

Another change relates to the "Notice of Allocation" of the donor's generation-skipping transfer tax exemption to a trust that is not shown on Schedule C. The instructions as modified indicate that the notice should include the inclusion ratio of the trust after the allocation. It is no longer necessary to indicate whether the donor's annual exclusion applied to the transfer.

The revised instructions for Form 709-A now indicate that gifts of closely held stock, partnership interests, fractional interests in real estate, and gifts involving valuation discounts must be reported on Form 709.

Recording Requirements

Public Act 459 of 1996 introduces new rules regarding the format of documents eligible for recording. Any document signed after April 1, 1997, must comply with the new rules. These rules include the following:

- The minimum type size has been increased from 8-point type to 10-point type.
- The weight of the paper is increased to a minimum of 20 pounds (which, I am told, is the weight of regular copy paper).
- Printing must be in black ink on white paper.
- The required margins are 2 1/2inches on the top of the first page, 1/2-inch

margins on the other three sides, and 1/2-inch minimum margins on all attached pages.

- The type of document must be identified on the first line of print, and only one document type will be indexed per recording.
- The minimum size of documents and attachments that will be accepted for recording is 8 1/2 by 11 inches, and the maximum size is 8 1/2 x 14 inches.

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